GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:30
ANSWERED ON:10.08.2007
SASAN ULTRA MEGA POWER PROJECT IN MP
Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Verma Shri Ravi Prakash

Will the Minister of POWER be pleased to state:

(a) whether any meeting of Empowered Group of Ministers (EGOM) was held recently to discuss the issue related to Sasan Ultra Mega Power Project;

(b) if so, the details thereof along with the main points discussed therein;

(c) the decision taken by the EGOM thereon;

(d) whether the bidder Lanco has violated the bidding norms; and

(e) if so, the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (e) : Yes, Sir. The Empowered Group of Ministers (EGoM) set up for facilitating expeditious decisions in all cases concerning Ultra Mega Power Projects (UMPPs) examined the matter relating to the award of the pit head 4000 MW Sasan Ultra Mega Power Project in Madhya Pradesh.

Keeping in view the overall public interest and after examination of various clauses of the bid documents, the EGoM inter-alia decided that the procurer should cancel the LOI issued to the Globeleq-Lanco consortium, as the consortium was not qualified even at the RFQ stage and its response to the RFQ was void ab-initio. It also decided that the procurer should return the Bid Bond of the consortium after deducting a sum of Rs.1 crore, and hold negotiations with the remaining bidders and seek their final bid(s) for levelised tariff.

Accordingly, Sasan Power Limited (SPL) received revised offers from the remaining valid bidders, of which the bid of M/s. Reliance Power Limited, offering a levellised tariff of Rs.1.19616 per kilo watt hour was the lowest. SPL issued the Letter of Intent to M/s. Reliance Power Limited on 1st August, 2007, and has thereafter carried out the necessary documentation on 7th August, 2007 for the transfer to them of the Special Purpose Vehicle, Sasan Power Limited which had been set up for the Sasan UMPP.